<div align="center">**Exhibit 11-3**</div>

OUTLIER CALCULATION WORKSHEET

To determine if a claim is a potential outlier:

Step 1: Compute the hospital *charges* per day:

_____	÷	_____	=	_____
Total Covered Charges		Allowed Accommodation Days		Covered Charges Per Day

Step 2: Determine the hospital *cost* per day:

_____	X	_____	=	_____
Covered Charges per Day		Hospital Specific I/P Cost-to-Charge Ratio		Claim Costs per Day

Step 3: Do the claim costs per day exceed the tier threshold amount? (Statewide cost thresholds are updated and distributed to each facility annually.) If "yes," the claim will pend for outlier medical review.

Once medical review has been completed, the claim will be reprocessed through the outlier calculation to determine if any disallowed charges disqualify the claim as an outlier. Although the claim costs per day may have initially exceeded the outlier threshold, upon completion of medical review, the costs per day may no longer exceed the threshold.

If the claim costs per day do not exceed the tier threshold, the claim will be priced at the appropriate tier.

Claims classified at more than one tier level are processed with a weighted tier threshold amount. to determine the weighted threshold:

$$[(\underline{\hspace{1.5cm}} \times \underline{\hspace{2cm}}) + (\underline{\hspace{1.5cm}} \times \underline{\hspace{2cm}})] \div \underline{\hspace{1.5cm}}$$

Tier 1 Threshold	Accommodation Days Classified at Tier 1	Tier 2 Threshold	Accommodation Days Classified at Tier 2	Total Accommodation Days

<div align="center">Equals</div>

<div align="center">_____
Weighted threshold amount</div>

Follow Step 3 above, comparing the claim costs per day to the weighted threshold amount.